

FARM CREDIT LEASING

1600 Colonnade
5500 Wayzata BLVD
Minneapolis MN 55416-1252

(612) 797-7400

Direct Dial
612-797-3409

March 4, 1996

1727/-E
MAR 11 1996 2 42 PM

VIA CERTIFIED MAIL
P 178 112 896

Surface Transportation Board
Attn: Recordation
Room 2311
12th and Constitution Avenue NW
Washington, D.C. 20423

Re: Documents for Recordation

Ladies and Gentlemen:

I have enclosed one (1) original and one (1) certified counterpart of the document described below to be recorded.

This document is a lease dated February 27, 1996 including Addendum I and Schedule A (Contract Nos. 049-6029462 to 049-6029561), inclusive.

The Lease Agreement is also a part of a Servicing Agreement and Lease Assignment dated as of October 19, 1989 and previously recorded on April 2, 1991 under Recordation Number 17271-A.

The names and addresses of the parties to the documents are as follows:

Lease Agreement

Lessor: Farm Credit Leasing Services Corporation
1600 Colonnade, 5500 Wayzata Blvd.
Minneapolis, MN 55416

Lessee: Farmland Industries, Inc.
3315 North Oak Trafficway
Kansas City, MO 65116

Servicing Agreement and Lease Assignment

Lessor: Farm Credit Leasing Services Corporation
1600 Colonnade, 5500 Wayzata Blvd.
Minneapolis, Minnesota 55416

Assignee: CoBank, ACB (formerly National Bank for Cooperatives)
5500 South Quebec Street
Englewood, Colorado 80111

INTERSTATE COMMERCE
COMMISSION
RECEIVED
MAR 11 2 42 PM '96

Surface Transportation Board

March 4, 1996

Page 2

The following equipment is covered the documents

One Hundred (100) 21,000 Gallon, 110-1/4 ID, non-coiled and insulated Railroad Tank Cars DOT111A100W1, Model #30-204-5 Manufactured by Trinity Industries, Inc Dallas, Texas
Current Reporting Marks FLIX 95330 to 95339, inclusive

A fee of \$21 is enclosed

Please return any extra copies not needed by the Board for recordation to Thomas H Vicker, Farm Credit Leasing Services Corporation, 1600 Colonnade, 5500 Wayzata Blvd , Minneapolis, Minnesota 55416

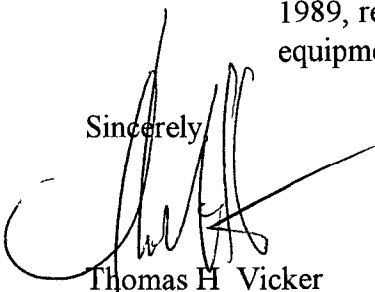
A short summary of the documents to appear in the index follows

Index Summary

Documents

- (a) Lease Agreement between Farm Credit Leasing Services Corporation, 1600 Colonnade, 5500 Wayzata Blvd , Minneapolis, Minnesota 55416 (Lessor) and Farmland Industries, Inc , 3315 North Oak Trafficway, Kansas City, Missouri 64116 (Lessee) dated February 27, 1996 and covering One Hundred (100) 21,000 Gallon, 110-1/4 ID, non-coiled and insulated Railroad Tank Cars DOT111A100W1, Model #30-204-5 Manufactured by Trinity Industries, Inc Dallas, Texas Current Reporting Marks FLIX 95330 to 95339, inclusive
- (b) Servicing Agreement and Lease Assignment between Farm Credit Leasing Services Corporation, 1600 Colonnade, 5500 Wayzata Blvd , Minneapolis, Minnesota 55416 (Assignor) and CoBank, ACB (formerly the National Bank for Cooperatives) 5500 South Quebec Street, Englewood, Colorado 80111 (Assignee) dated as of October 19, 1989, recorded on April 12, 1992 and assigned Recordation No 17271-A, covering equipment described in (a), above

Sincerely,


Thomas H Vicker
Senior Vice President
and General Counsel

JZ

Enclosures

SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

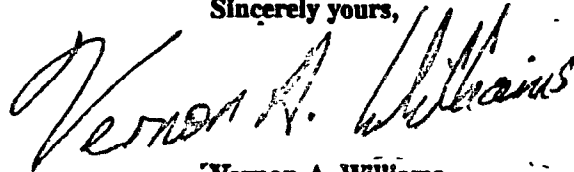
3/11/96

Thomas H. Vicker
Senior Vice President
And General Counsel
Farm Credit Leasing
1600 Colonnade
5500 Wayzata Blvd.
Minneapolis, MN 55416-1252

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 3/11/96 at 2:45PM, and assigned recordation number(s). 17271-E.

Sincerely yours,

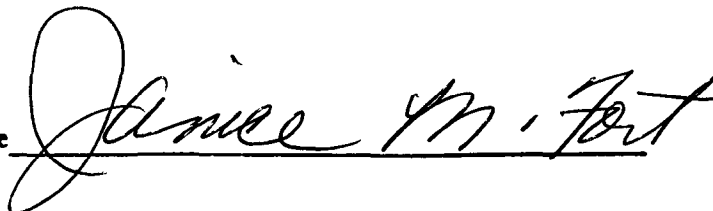


Vernon A. Williams
Secretary

Enclosure(s)

\$ 21.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

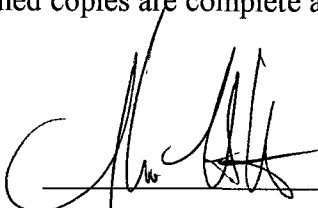
Signature



CERTIFICATE

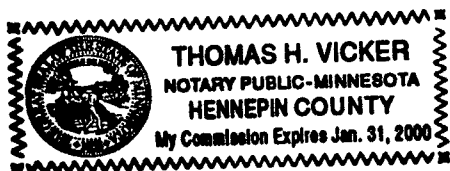
I, Thomas H Vicker, a notary public in the state of Minnesota hereby certify that I have compared the attached copies of that certain Lease Agreement including Addendum I and Schedule A referencing Contract Nos 049-6029462 to 049-6029561, inclusive, with the original of such document and I find that the attached copies are complete and identical in all respects to the original document

Date March 7, 1996



Notary Public

My Commission Expires January 31, 2000



FARM CREDIT LEASING

1600 Colonnade
5500 Wayzata BLVD
Minneapolis MN 55416-1252

17271-E
MAR 11 1996 2:45 PM

Lease Agreement

Customer Number _____

Lessor and Lessee have executed this Lease Agreement effective February 27, 1996, and hereby agree to the terms contained below and in any attachments made a part of this Lease Agreement

This Lease and the attachments hereto constitute the entire agreement of the parties with respect to the leasing of the Equipment and the other subject matter of this Lease. This Lease supersedes all prior written and/or oral understandings or agreements with respect to the subject matter hereof, and no change, modification, addition, or termination of this Lease shall be enforceable unless in writing and signed by Lessor and Lessee. This lease is modified to include the provisions described in Addendum I, which is attached hereto, incorporated herein and made a part of Lessee: this lease.

FARMLAND INDUSTRIES, INC.

(please print or type full name)

By:

Signature

Date

Terry M. Campbell
Title (corporations only)
Vice President and Treasurer

Signature

Date

Title (corporations only)

Signature

Date

Signature

Date

Lessor:

Farm Credit Leasing Services Corporation

By:

Signature

Title

Date

2/29/96
1600 Colonnade
5500 Wayzata BLVD
Minneapolis MN 55416-1252

In consideration of the mutual covenants hereinafter contained, the parties hereby agree as follows:

1 LEASE OF EQUIPMENT Lessor hereby leases to Lessee, and Lessee hereby leases from Lessor, subject to the terms of this Lease Agreement ("Lease" or "Lease Agreement"), the equipment (collectively, the "Equipment", any one item of which may be referred to individually as an "Item of Equipment") described in any Schedule A ("Schedule A") executed by Lessor and Lessee and made a part hereof. Lessee hereby authorizes Lessor to include in any Schedule A the serial number and other information identifying the Equipment when determined by Lessor.

Each such Schedule A when executed by the parties shall be deemed to be a part of this Lease, it being understood and agreed that this Lease shall be a Master Lease. All Schedules, addenda or other attachments to this Lease executed by Lessor and Lessee are hereby incorporated herein and made a part hereof.

In the event it is necessary to amend the terms of a Schedule A to reflect a change in one or more of the following conditions

- Lessor's actual cost of procuring the Equipment, or
- Lessor's actual cost of providing Equipment to Lessee, or
- A change in lease payments as a result of (a) and/or (b) above, or
- Description of the leased Equipment.

Lessee agrees that any such amendment shall be described in a letter from Lessor to Lessee, and unless Lessee objects thereto in a writing delivered to Lessor within fifteen (15) days of mailing of such letter from Lessor to Lessee, such Schedule A shall be deemed amended and such amendments shall be incorporated herein.

2 RENTALS/LEASE TERM Lessee agrees to pay Lessor rentals for each Item of Equipment leased under this Lease as set forth in the Schedule A applicable to such Item of Equipment. All rentals shall be payable as described to Lessee at Lessor's mailing address set forth in such Schedule A, or to such other person or at such other place as Lessor may from time to time designate in writing "Scheduled Lease Commencement Date" for purposes of this Lease shall be the first day of the month following the In-Service Date, provided, however, in the event the Daily Billing Option is selected on the applicable Schedule A, the Scheduled Lease Commencement Date shall be the In-Service Date. "In-Service Date" shall be the date Equipment is delivered and accepted by Lessee for lease as provided herein. The "Scheduled Lease Term" shall be as set forth in the applicable Schedule A. Rentals for each Item of Equipment shall commence on the Scheduled Lease Commencement Date with respect to each Item of Equipment. If the In-Service Date occurs prior to the Scheduled Lease Commencement Date, Lessor shall be entitled to a rental ("Interim Rent") for the period from such In-Service Date to the Scheduled Lease Commencement Date (the "Interim Period"). Interim Rent shall be computed by dividing all rentals other than Interim Rent due under the Lease by the actual number of days in the Scheduled Lease Term and multiplying this result by the actual number of days from In-Service Date to Scheduled Lease Commencement Date. Interim Rent (if any) shall be due on the Scheduled Lease Commencement Date. The Scheduled Lease Term, including any Minimum Term as described in Paragraph 3 below, as set forth in the Schedule A, together with the Interim Period, if any, shall constitute the Lease Term ("Lease Term") for each Item of Equipment. Lessee agrees to pay Lessor at the expiration or other termination of the Lease Term, additional rents, if specified under Special Terms described in the Schedule A. The termination of this Lease with respect to certain Items of Equipment shall not affect the continuation of this Lease with respect to other Items of Equipment not subject to such termination. In the event the Lessee exercises the option to renew the Lease, rentals for the renewal period shall be agreed to by the parties at the time of renewal.

3. **MINIMUM LEASE TERM** The Minimum Lease Term ("Minimum Term") shall be set forth in the Schedule A for each Item of Equipment and shall commence on the Scheduled Lease Commencement Date. If Lessor agrees to terminate this Lease prior to the expiration of the Minimum Term with respect to an Item of Equipment, Lessor shall, in addition to all other charges specified in this Lease, charge Lessee an early termination fee. Upon completion of the Minimum Term, the Lessee is deemed to have continued the Lease on a month-to-month basis, until completion of the Scheduled Lease Term unless the Lessee notifies the Lessor in writing 30 days prior to the end of the Minimum Term that it desires to terminate the Lease.

4. **FLOATING RENTAL RATE** Notwithstanding any provision to the contrary contained in Paragraph 2 above, if Floating Rate is specified on the Schedule A applicable to an Item of Equipment, the Lessee's rental obligation for such Item of Equipment shall be adjusted at each rental due date based on the index specified on such Schedule A. Rental adjustments will be calculated based on monthly changes in the index up or down. Monthly changes in the index and the outstanding lease balance for each Item of Equipment will be used to compute an adjusted rental amount. Rental adjustments will be compounded and accumulated monthly and billed to the Lessee based on the Rental frequency specified on the appropriate Schedule A.

5. **LATE CHARGES** If Lessee fails to pay any rental or other amount required to be paid by Lessee to Lessor, within five (5) days after the due date thereof, Lessee shall (in addition to all other amounts due Lessor) pay Lessor the lesser of one and one-half percent (1.5%) per month, or the maximum amount allowed by law until paid on such unpaid amounts.

6. **SECURITY DEPOSIT** If a Security Deposit amount is specified in the Schedule A, Lessee agrees to pay such amount to Lessor prior to the Scheduled Lease Commencement Date. If Lessee has fulfilled all terms and conditions herein, the Security Deposit shall be returned to Lessee without interest or it may be applied to any purchase option exercised by Lessee at the expiration of the Lease.

7. **NO WARRANTIES, LESSEE'S OBLIGATIONS (VENDOR NOT AN AGENT)** LESSEE ACKNOWLEDGES THAT: LESSOR IS NOT THE MANUFACTURER OF THE EQUIPMENT NOR THE MANUFACTURER'S AGENT NOR A DEALER THEREIN; THE EQUIPMENT IS OF A SIZE, DESIGN, CAPACITY, DESCRIPTION AND MANUFACTURE SELECTED BY LESSEE; LESSEE IS SATISFIED THAT THE EQUIPMENT IS SUITABLE AND FIT FOR ITS PURPOSES; LESSOR HAS NOT MADE AND DOES NOT MAKE ANY WARRANTY OR REPRESENTATION WHATSOEVER, EITHER EXPRESS OR IMPLIED, AS TO THE FITNESS, CONDITION, MERCHANTABILITY, DESIGN OR OPERATION OF THE EQUIPMENT, ITS FITNESS FOR ANY PARTICULAR PURPOSE, THE QUALITY OR CAPACITY OF THE MATERIALS IN THE EQUIPMENT OR WORKMANSHIP IN THE EQUIPMENT NOR ANY OTHER REPRESENTATION OR WARRANTY WHATSOEVER; LESSOR SHALL NOT BE LIABLE TO LESSEE AND LESSEE HEREBY WAIVES ANY CLAIM IT MAY HAVE AGAINST LESSOR FOR ANY LOSS, DAMAGE (CONSEQUENTIAL OR OTHERWISE) OR EXPENSE CAUSED DIRECTLY OR INDIRECTLY BY THE EQUIPMENT LEASED HEREUNDER. NO DEFECT OR UNFITNESS OF THE EQUIPMENT NOR ANY REPRESENTATION AS TO THE EQUIPMENT OR ANY OTHER MATTER BY VENDOR SHALL RELIEVE LESSEE OF THE OBLIGATION TO PAY ANY RENTALS OR OTHER OBLIGATION UNDER THIS LEASE. LESSEE UNDERSTANDS AND AGREES THAT NEITHER VENDOR NOR ANY SALES REPRESENTATIVE OR OTHER AGENT OF VENDOR, IS AN AGENT OF LESSOR. NO SALES REPRESENTATIVE OR AGENT OF VENDOR IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OR CONDITION OF THIS LEASE. Lessor hereby assigns to Lessee for the duration of this Lease all warranties received by Lessor with respect to the Equipment, to the extent assignable, and Lessor shall have no obligation whatsoever to make any claim on such warranty.

8. **LOCATION/INSPECTION/MARKING** The Equipment at all times shall be located at the address specified in the applicable Schedule A unless Lessee has notified Lessor in writing of a change of location for each Item of Equip-

ment. Lessee shall make the Equipment available for inspection by Lessor's representatives during Lessee's normal business hours and shall make Lessee's log, maintenance and other records pertaining to the Equipment available for inspection and duplication by Lessor's representatives. Lessee shall affix to or place on the Equipment such labels, plates, or other markings indicating Lessor's ownership in the Equipment as may be directed and supplied by Lessor.

9. **USE** Lessee agrees all Equipment will be operated by competent and qualified personnel only and in accordance with applicable operating instructions, laws, government regulations, and applicable insurance policies.

10. **RISK OF LOSS, GENERAL INDEMNITY** Lessee hereby assumes the risk of bodily injury or death, and of damage to property, including the Equipment, and the loss of such property, from whatsoever cause during the Lease Term. Lessee shall indemnify and hold Lessor harmless from and against any and all claims, losses, liabilities (including patent infringement, negligence, tort and strict liability), damages, judgments, suits, and all legal proceedings, and any and all costs and expenses in connection therewith (including attorneys' fees) arising out of or in any manner connected with the manufacture, sale, purchase, financing, ownership, delivery, rejection, non-delivery, possession, use, transportation, storage, condition, operation, maintenance, repair, return or other disposition of the Equipment or with this Lease, including, without limitation, claims for injury to or death of persons, for damage to property, for violation of any law, rule or regulation of any public authority, and for environmental damage and clean-up. Lessee shall give Lessor prompt notice of any such claim or liability. The provisions of this Paragraph shall survive the expiration or termination of this Lease. Lessee agrees that upon written notice by Lessor of the assertion of any claim, action, damage, obligation, liability, or lien, Lessee shall, at Lessor's written request, assume the full responsibility for the defense thereof. Any payment pursuant to this Paragraph shall include an amount equal to any taxes required to be paid by Lessor as a result of the receipt of such payment.

11. **ALTERATIONS/REPAIRS** Any improvement, replacement, addition, accessory, or repair part for the Equipment shall become the property of Lessor free of all liens and encumbrances and shall be deemed part of the Equipment. The Equipment is, and shall at all times be and remain, personal property, notwithstanding that any Item of Equipment or any part thereof shall now be or hereafter become in any manner affixed or attached to real property or any improvements thereof.

12. **MAINTENANCE** Lessee shall pay all costs and expenses of whatever nature resulting from the use and operation of each Item of Equipment. Lessee, at its expense, shall keep the Equipment in good repair, condition and working order, in full compliance with all applicable manufacturer's recommendations, ordinary wear and tear excepted.

13. **TAXES** Lessee shall pay when due and be responsible for all charges, taxes and fees which may now or hereafter be imposed or levied by any governmental body or agency required to be paid or collected by Lessor on or relating to the Equipment leased hereunder and the sale, purchase, rental, operation, maintenance or use thereof (excluding any taxes on or measured by the net income of Lessor) together with any penalties or interest applicable thereto, whether the same be payable by or assessed to Lessor or Lessee. If under law or custom such payments may be made only by Lessor, Lessee shall promptly notify Lessor and shall reimburse Lessor, upon demand, for all such payments made by Lessor. Upon request, Lessee will furnish to Lessor a photocopy of evidence satisfactory to Lessor reflecting payment by Lessee.

14. **PERSONAL PROPERTY TAXES.** Wherever equipment is subject to personal property taxes in the jurisdiction where the Equipment is located, Lessor will properly report any and all property values for all lease transactions with the appropriate property tax assessor or other proper official. Lessee shall reimburse Lessor for all personal property taxes assessed by the applicable taxing jurisdiction. If Lessor does not notify Lessee of Lessor's intent to file the applicable property tax return within fourteen (14) days of the personal property tax return due date, or if Lessee has made a written request that Lessor not file such return, Lessee shall file all property values with the appropriate taxing jurisdiction and assume full responsibility for the payment of all such taxes, assessments, penalties and interest when due. Lessee shall

20 ASSIGNMENT AND SUBLEASE

4-A 1 a) LESSEE SHALL NOT ASSIGN OR IN ANY WAY DISPOSE OF ALL OR ANY PART OF ITS RIGHTS OR OBLIGATIONS UNDER THIS LEASE OR ENTER INTO ANY SUBLEASE OF ALL OR ANY PART OF THE EQUIPMENT WITHOUT THE PRIOR WRITTEN CONSENT OF LESSOR. ANY ATTEMPTED ASSIGNMENT BY LESSEE WITHOUT SUCH CONSENT SHALL BE NULL AND VOID AND SHALL BE AN EVENT OF DEFAULT UNDER THIS LEASE.

4-A 2 b) Lessor shall have the right, without notice to Lessee, to assign or create a security interest in this Lease, or assign any of its rights or interests in this Lease, or in the Equipment. If Lessee is given notice of such assignment or security interest, Lessee shall acknowledge such assignment or security interest in writing upon terms satisfactory to Lessor. Upon written notice to Lessee from Lessor of any assignment or of any security interest created by Lessor hereunder, Lessee shall pay rentals directly to such assignee if directed by Lessor to do so. Any assignee of Lessor shall have all of the rights, but none of the obligations, of Lessor under this Lease and Lessee agrees that it will not assert against any assignee of Lessor any defense, counterclaim, or offset that Lessee may have against Lessor. Lessee acknowledges that any assignment or transfer by Lessor shall not materially change Lessee's duties or obligations under this Lease nor materially increase the burdens or risks imposed on Lessee.

21 OWNERSHIP Title to the Equipment shall remain with Lessor at all times and Lessee shall have no right, title, or interest therein except as expressly set forth in this Lease.

22. RETURN OF EQUIPMENT If Lessee does not exercise any purchase option provided in this Lease, at the expiration of the Lease Term or other termination of this Lease, Lessee shall, at its own expense, deliver the Equipment to a location designated by Lessor. The Equipment shall be delivered by Lessee to Lessor in the same condition as it was when delivered to Lessee, normal wear and tear excepted. Lessor and Lessee agree that, notwithstanding terms contained in the Lease to the contrary, the Lease Term shall not expire until the Equipment is returned to Lessor as provided in this Paragraph.

4-B 23 LESSEE'S OPTIONS So long as no Event of Default has occurred and is continuing, at the expiration of the Minimum Term, Lessee shall have the option to (i) purchase the Equipment at fair market value, (ii) continue the Lease as provided in Paragraph 3 of this Lease, or (iii) return the Equipment to Lessor as provided in Paragraph 22 herein. At the expiration of the Scheduled Lease Term, Lessee shall have the option to (i) purchase the Equipment at fair market value or at the Purchase Option Amount specified on the applicable Schedule A, (ii) renew the Lease as provided in Paragraph 2 herein, or (iii) return the Equipment to Lessor as provided herein.

4-C 24 NOTICES

a) Any requirement of the Uniform Commercial Code of reasonable notice shall be met if such notice is given at least five (5) days before the time of sale, disposition, or other event or thing giving rise to the requirement of notice.

b) All notices or communications under this Lease shall be in writing, shall be delivered or mailed to the parties at the addresses set out for them in this Lease, and any notice so addressed and mailed by registered mail or hand delivered and left with a responsible person shall be deemed to have been given when so mailed or delivered.

c) Lessor and Lessee may in writing at any time, and from time to time, change the address to which notice shall be delivered or mailed.

4-D 25 POWER OF ATTORNEY/AFFIRMATION OF SECURITY INTEREST LESSEE HEREBY IRREVOCABLY APPOINTS AND CONSTITUTES LESSOR AND EACH OF LESSOR'S OFFICERS, EMPLOYEES, OR AGENTS AS LESSEE'S TRUE AND LAWFUL AGENT AND ATTORNEY-IN-FACT FOR THE PURPOSE OF FILING FINANCING STATEMENTS RELATING TO THIS LEASE AND THE EQUIPMENT, INCLUDING AMENDMENTS THERETO, PURSUANT TO THE UNIFORM COMMERCIAL CODE AS ADOPTED IN THE STATE OR STATES WHERE THE EQUIPMENT IS LOCATED; LESSOR BEING HEREBY AUTHORIZED AND EMPOWERED TO SIGN LESSEE'S NAME ON ONE OR MORE OF SUCH FINANCING STATEMENTS, DOCUMENTS OR INSTRUMENTS.

In the event this Lease should be construed as a lease intended as security, Lessee affirms that Lessor has a security interest in the Equipment and all rentals payable hereunder, proceeds (including insurance proceeds) of the Equipment, and all amounts arising from the sale or other disposition of the Equipment.

26 NON-CANCELLABLE LEASE, OBLIGATIONS UNCONDITIONAL, WAIVER THIS LEASE CANNOT BE CANCELLED OR TERMINATED EXCEPT AS EXPRESSLY PROVIDED HEREIN. LESSEE HEREBY AGREES THAT LESSEE'S OBLIGATION TO PAY ALL RENTALS AND PERFORM ALL OTHER OBLIGATIONS HEREUNDER SHALL BE ABSOLUTE, IRREVOCABLE, UNCONDITIONAL AND INDEPENDENT AND SHALL BE PAID AND PERFORMED WITHOUT ABATEMENT; DEDUCTION OR OFFSET OF ANY KIND OR NATURE WHATSOEVER. To the extent permitted by applicable law, Lessee also hereby waives any rights now or hereafter conferred by statute or otherwise which may require Lessor to sell, lease or otherwise use any Equipment in mitigation of Lessor's damages as set forth in Paragraph 19 or which may otherwise limit or modify any of Lessor's rights or remedies under Paragraph 19. Any action by Lessee against Lessor for any default by Lessor under this Lease, including breach of warranty or indemnity, shall be commenced within one (1) year after any such cause of action accrues.

4-D 27 REPRESENTATIONS AND WARRANTIES OF LESSEE Lessee represents and warrants that (i) Lessee is duly qualified to do business wherever necessary to carry on its present business and operations, (ii) Lessee has full power, authority and legal right to enter into and perform this Lease and the execution, delivery and performance of such documents have been duly authorized, do not require the approval of any governmental body, will not violate any judgement, order, law or regulation applicable to Lessee or any provision of Lessee's certificate of incorporation or bylaws, if any, or constitute a default under, or result in the creation of any lien, charge, encumbrance or security interest upon any assets of the Lessee under any agreement or instrument to which Lessee is a party or by which Lessee or its assets may be bound or affected, (iii) this Lease and all schedules and attachments shall have been duly entered into, delivered and shall constitute, legal, valid and binding obligations of Lessee, enforceable in accordance with their terms when executed by Lessor and Lessee.

28 FINANCIAL STATEMENTS Lessee shall promptly furnish Lessor with Lessee's annual certified financial statements. Lessee shall also furnish Lessor with other financial information as Lessor may reasonably request. If Lessee does not have certified financial statements available in the normal course of business, Lessee shall provide uncertified financial statements that accurately reflect Lessee's financial condition, including copies of its most recent federal income tax returns.

29 ENFORCEABILITY/CAPTIONS

a) If any part, term, or provision of this Lease is held by any court to be unenforceable or prohibited by law, the rights and obligations of the parties shall be construed and enforced with that part, term, or provision limited so as to make it enforceable to the greatest extent allowed by law, or if it is totally unenforceable, as if this Lease did not contain that particular part, term, or provision.

b) The headings in this Lease have been included for ease of reference only and shall not be considered in the construction or interpretation of this Lease.

c) This Lease shall in all respects be governed by and construed in accordance with the laws of the State of Minnesota.

d) This Lease shall inure to the benefit of Lessor, its successors, and assigns, and all obligations of Lessee shall bind its permitted successors and assigns.

also reimburse Lessor any costs and expenses incurred by Lessor (including reasonable attorneys' fees), as a result of Lessee's failure to report and pay such taxes and charges

3-B

3-B] 15 ~~INSURANCE~~ Lessee shall at its own expense acquire and maintain, during the term hereof, with such insurers, in such form and under such policies as shall be satisfactory to Lessor, both

a) all risk property insurance, naming Lessor as loss payee, in amounts and under coverages to provide for rebuilding, repairing or replacing the Equipment in the event of any damage, destruction, loss or theft of the Equipment. The amount of such insurance shall be at least equal to the Equipment Cost described in the Schedule A for each Item of Equipment, and

b) comprehensive public liability insurance including coverage for any bodily injury, death, or property damage which may be caused by or related to the Equipment or its operation, in amounts satisfactory to Lessor. Such insurance shall name Lessor as an additional insured

If any loss occurs it shall be paid by check or draft payable to Lessor and Lessee jointly. Lessor may endorse Lessee's name thereon as Lessee's agent. Lessee shall furnish to Lessor a certificate of insurance indicating that such insurance coverages are in effect at the time the Equipment is delivered and shall indicate that such insurance cannot be cancelled or altered without at least thirty (30) days prior written notice to Lessor. If Lessee fails to pay insurance required to be provided by Lessee under this Lease, Lessor may, but is not obligated to provide such insurance. Lessee shall, upon demand reimburse Lessor for any costs, fees, or expenses incurred in providing such insurance

16 CASUALTY OCCURRENCE

a) For purposes of this Lease, a "Casualty Occurrence" shall mean any Item of Equipment destroyed, irreparably damaged, lost, stolen, unaccounted for, or taken or requisitioned by condemnation or otherwise during the term of this Lease

b) In the event that any Item of Equipment shall suffer a Casualty Occurrence, Lessee shall promptly and fully inform Lessor with respect thereto. Lessee shall pay to Lessor, on the first day of the month following the giving of such notice, an amount ("Casualty Loss Value") equal to the sum of (i) the amount which will cause the Lessor to realize the same rate of return up to the date of the Casualty Occurrence that the Lessor would have realized had the Lease of the Equipment been in effect for the entire Lease Term, and (ii) all installments of rental then due with respect to that Item of Equipment. The total rental described in the Schedule A which contained an Item of Equipment for which a Casualty Loss Value was paid, shall be reduced by a percentage derived by dividing the Cost of the Item of Equipment experiencing the Casualty Occurrence by the Total Equipment Cost described in such Schedule A. Lessor shall be entitled to receive and retain any proceeds from any insurance with respect to such Item of Equipment up to the amount of the Casualty Loss Value. Provided an Event of Default has not occurred and is continuing, Lessor shall pay over such insurance proceeds to Lessee to the extent such amounts exceed the Casualty Loss Value or the entire insurance proceeds received if Lessee has previously paid the Lessor the Casualty Loss Value. Upon Lessor's receipt of such payment, Lessee shall be entitled to whatever interest Lessor may have in said Item of Equipment, in its then condition and location, without warranties, express or implied, and this Lease shall terminate with respect to such Item of Equipment

3-B1

17 LOSS AND DAMAGE No loss, theft, damage, or destruction of Equipment shall relieve Lessee of the obligation to pay rent or perform any other obligation under this Lease. In the event of damage to any Item of Equipment, Lessee shall immediately place the same in good repair

18 EVENTS OF DEFAULT The following shall constitute Events of Default

a) Lessee shall fail to pay all or any part of a rental payment or any other payment when due and payable

3-C

3-D] b) Lessee shall fail to perform or shall breach any of the other covenants herein and shall continue to fail to observe or perform the same for a period of ten (10) days after written notice thereof by Lessor, or

c) Without Lessor's consent, Lessee removes, sells, transfers, assigns, parts with possession, or sublets any Item of Equipment, or

d) Lessee creates, incurs, or suffers to exist any mortgage, lien, or other encumbrance or attachment of any kind whatsoever upon or affecting the Equipment or this Lease or any of Lessor's interests thereunder, or

e) Lessee becomes insolvent, makes an assignment for the benefit of creditors, ceases or suspends its business, admits in writing its inability to pay its debts as they mature, or bankruptcy, reorganization or other proceedings for the relief of debtors or benefit of creditors shall be instituted by or against Lessee, or

f) Any representation or warranty made by Lessee herein or in any document or certificate furnished to Lessor proves to be incorrect in any material respect when made, or

g) If Lessee is a business entity, the dissolution, merger, or reorganization of Lessee, or

h) If Lessee is an individual, Lessee dies or is judicially declared incompetent, or

i) Lessee shall be in default under any other agreement executed with Lessor at any time

3-E

In this Paragraph 18, "Lessee" also means any guarantor of Lessee's obligations under the Lease and "Lease" also means any guaranty of those obligations

19 REMEDIES UPON DEFAULT Upon the occurrence of any Event of Default and at any time thereafter, Lessor may do any one or more of the following with or without terminating this Lease

a) Declare the entire amount of rental and other charges due and to become due hereunder for the entire Lease Term immediately due and payable,

b) Take immediate possession of any and all Equipment without notice,

c) Sell or lease any Equipment or otherwise dispose, hold, or use such Equipment at Lessor's sole discretion,

d) Demand payment of all additional costs incurred by Lessor in the course of correcting any default,

e) Proceed against any or all security given in connection herewith which includes but is not limited to sureties and guarantors,

f) Upon notice to Lessee, terminate this Lease and all Schedules executed pursuant hereto. A termination hereunder shall only occur upon such notice by Lessor and only as to such Items of Equipment included in such notice. This Lease shall continue in full force and effect as to the remaining Items of Equipment, if any,

g) Exercise any other right or remedy available to Lessor under the Uniform Commercial Code or any other applicable law. If this Lease is deemed at any time to be one intended as security, Lessee agrees that the Equipment shall secure all indebtedness owing by Lessee to Lessor,

h) Recover from Lessee, not as a penalty but as liquidated damages, an amount equal to the sum of (i) any accrued and unpaid rentals as of the date the Lessor obtains possession of the Equipment following Lessee's default ("Repossession Date"), plus (ii) the present value of all future rentals reserved in the Lease and contracted to be paid over the unexpired term of the Lease discounted at a rate equal to the six (6) month U S Treasury Bill rate as of the Repossession Date, plus (iii) all costs and expenses incurred by Lessor in any repossession, recovery, storage, repair, sale, re-lease or other disposition of the Equipment including reasonable attorney's fees and costs incurred in connection with or otherwise resulting from the Lessee's default, plus (iv) estimated residual value of the Equipment as of the Expiration of the Lease, Less the amount received by Lessor upon sale or re-lease of such Items of Equipment, if any

Notwithstanding Paragraph 19(h) above, Lessor and Lessee agree that in the event it is adjudged or otherwise determined that following an Event of Default, Lessor is entitled to the present value of future rentals reserved in the Lease, the discount rate shall be equal to the six (6) month U S Treasury Bill rate in effect at the time the Event of Default occurred. Lessor's rights and remedies provided hereunder or by law shall be cumulative and shall be in addition to all other rights and remedies available to Lessor. Lessor's failure to strictly enforce any provisions of this Lease or any other right available to Lessor shall not be construed as a waiver thereof or as excusing Lessee from future performance. Lessee shall pay Lessor all costs and expenses, incurred by Lessor in any repossession, recovery, storage, repair, re-lease or other disposition of the Equipment, including reasonable attorneys' fees as a result of or arising out of an Event of Default

FARM CREDIT LEASING

Schedule A

1600 Colonnade
5500 Wayzata BLVD
Minneapolis MN 55416-1252

Contract Number 049-6029462 thru 6029561
Application Number 533513
Customer Number 8839 953 300
Customer Unit Number

This Schedule A, when executed by both Lessee and Lessor shall be made a part of that Lease Agreement dated February 27 1996 ("Lease") between Lessee and Lessor

Lessee:

Farmland Industries, Inc.

By: Terry M. Campbell please print or type full name 3/1/96 Date
Terry M. Campbell Signature
Vice President and Treasurer Title (corporations only)

Signature Date

Title (corporations only)

Signature Date

Signature Date

Lessor:

Farm Credit Leasing Services Corporation

By: [Signature] Signature
3/4/96 Date

1600 Colonnade
5500 Wayzata BLVD
Minneapolis MN 55416-1252

Contact Phone
Randy Vance (816) 459-6543

Mailing address	City	County	State	Zip code
3315 North Oak Traffic Way	Kansas City		MO	64116
Vendor name	Address	City/State/Zip code	Contact	Phone

EQUIPMENT

Asset	New/Used	MACRS Life	Quantity/Year/Manufacturer/Model/Description/Serial Number	Equipment Cost	Fixed Purchase Option or TRA amount by asset if applicable
A	New	7	(100) 1996 Trinity 21000 gal Insul Tank Rail Cars	\$5,425,000 00	
B			Further described on attached Schedule A-1		
C					
D					
TOTAL NET EQUIPMENT COST (show sales tax separately, if applicable)				\$5,425,000 00	

Down Payment \$ 0	Refund to Lessee? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Trade-in \$ 0	Refund to Lessee? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Purchase option type <input type="checkbox"/> Fixed Purchase Option (FPO) <input type="checkbox"/> Fair Market Value (FMV)	<input type="checkbox"/> Terminal Rental Adjustment (TRA) (Transportation Addendum required) <input checked="" type="checkbox"/> Other EMV - not to exceed 46%	Transportation Addendum applies <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Addendum Date 02/27/1996
Federal Income tax exempt <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	If yes, why?	Sales tax exempt <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	If yes, Tax ID# If no, FCL to capitalize tax <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

FCL USE ONLY

FCPR 43	EC DC <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Estimate	Basis	OF	Promotion	In-service Date	Term Expires	Authorization Number
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EQUIPMENT LOCATION

Same as mailing address ☒

Asset	Asset ID No	Company/Street Address/Rural Route	City	State	Zip Code	County
A	155297, 155593	Loop 197 South	Texas City	TX	77592	Galveston
B	155595-155692	Loop 197 South	Texas City	TX	77592	Galveston
C						
D						

All areas must be completed in the Lease Pricing section prior to mailing to Farm Credit Leasing.
Areas that do not apply in this section must be filled with "N/A" or "ZERO"

LEASE PRICING

Lease Rate Factor	Scheduled Lease Term (in months)	Minimum Lease Term (in months)	Rental amount* (Detail irregular rents below)	Rentals (advance or arrears)	Rental frequency (annual semiannual, quarterly, monthly, irregular)	Total number of rentals																														
02105174	180	180	114205 69	Arrears	Quarterly	60																														
Irregular rent detail* NA <table border="1"> <thead> <tr> <th>Mo/Yr</th><th>Payment Amount</th><th>Mo/Yr</th><th>Payment Amount</th><th>Mo/Yr</th><th>Payment Amount</th></tr> </thead> <tbody> <tr> <td>1</td><td>5</td><td></td><td>9</td><td></td><td></td></tr> <tr> <td>2</td><td>6</td><td></td><td>10</td><td></td><td></td></tr> <tr> <td>3</td><td>7</td><td></td><td>11</td><td></td><td></td></tr> <tr> <td>4</td><td>8</td><td></td><td>12</td><td></td><td></td></tr> </tbody> </table>				Mo/Yr	Payment Amount	Mo/Yr	Payment Amount	Mo/Yr	Payment Amount	1	5		9			2	6		10			3	7		11			4	8		12			Special Terms NA Lessee hereby agrees to pay Lessor at the expiration of the Lease, an amount equal to \$ _____ per the _____ for each _____ per year Equipment is used in excess _____ prorated to expiration or termination of the Lease		
Mo/Yr	Payment Amount	Mo/Yr	Payment Amount	Mo/Yr	Payment Amount																															
1	5		9																																	
2	6		10																																	
3	7		11																																	
4	8		12																																	
Other charges \$ _____ /rental Type _____																																				
Daily Billing Option <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Floating Rate, indexed to 90-day Farm Credit Discount Notes <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Lessee Maximum Percentage for purposes of Terminal Rental Adjustment NA %																																
Security Deposit \$ NA		Lessee Percentage for purposes of Lease Purchase Addendum NA %		* Exclusive of applicable sales tax																																

COMMENTS

The railcars may be utilized in any of the 48 United States of America.

GUARANTOR'S ACKNOWLEDGEMENT (IF APPLICABLE)

This Lease guaranteed by _____ <i>Name (print name of guarantor)</i> _____ <i>Signature</i>	This Lease guaranteed by _____ <i>Name (print name of guarantor)</i> _____ <i>Signature</i>	This Lease guaranteed by _____ <i>Name (print name of guarantor)</i> _____ <i>Signature</i>
ACKNOWLEDGEMENT ONLY OF CONTRACT GUARANTY		

SCHEDULE A-1

1600 Colonnade
5500 Wayzata BLVD
Minneapolis, MN 55416-1252

Lessee Name:	Farmland Industries, Inc.
Customer Number:	8839 953 300
Lessor Number:	049
Lease Agreement Date:	February 27, 1996
Application Number:	533513
Commencement Date:	March 1, 1996
Lease Factor:	02105174
Terms in Months:	180

Page 1 of 4


QUARTERLY

[illegible]



QUARTERLY

Contract #	Asset #	In-Service	Year	Model	Description	Serial #	Cost	Monthly Rent
PAGE ONE TOTALS							1,085,000 00	22,841 00
6029482	155613	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517764	54,250 00	1,142 05
6029483	155614	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517765	54,250 00	1,142 05
6029484	155615	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517766	54,250 00	1,142 05
6029485	155616	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517767	54,250 00	1,142 05
6029486	155617	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517768	54,250 00	1,142 05
6029487	155618	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517769	54,250 00	1,142 05
6029488	155619	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517770	54,250 00	1,142 05
6029489	155620	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517771	54,250 00	1,142 05
6029490	155621	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517772	54,250 00	1,142 05
6029491	155622	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517773	54,250 00	1,142 05
6029492	155623	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517774	54,250 00	1,142 05
6029493	155624	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517775	54,250 00	1,142 05
6029494	155625	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517776	54,250 00	1,142 05
6029495	155626	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517777	54,250 00	1,142 05
6029496	155627	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517778	54,250 00	1,142 05
6029497	155628	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517779	54,250 00	1,142 05
6029498	155629	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517780	54,250 00	1,142 05
6029499	155630	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517781	54,250 00	1,142 05
6029500	155631	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517782	54,250 00	1,142 05
6029501	155632	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517783	54,250 00	1,142 05
6029502	155633	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517784	54,250 00	1,142 05
6029503	155634	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517785	54,250 00	1,142 05
6029504	155635	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517786	54,250 00	1,142 05
6029505	155636	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517787	54,250 00	1,142 05
6029506	155637	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517788	54,250 00	1,142 05
6029507	155638	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517789	54,250 00	1,142 05
6029508	155639	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517790	54,250 00	1,142 05
6029509	155640	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517791	54,250 00	1,142 05
6029510	155641	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517792	54,250 00	1,142 05
6029511	155642	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517793	54,250 00	1,142 05
6029512	155643	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517794	54,250 00	1,142 05
PAGE TWO TOTALS							2,766,750 00	58,244.55



Contract #	Asset #	In-Service	Year	Model	Description	Serial #	Cost	Monthly Rent
PAGE TWO TOTALS							2,766,750 00	58,244 55
6029513	155644	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517795	54,250.00	1,142 05
6029514	155645	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517796	54,250 00	1,142 05
6029515	155646	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517797	54,250 00	1,142 05
6029516	155647	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517798	54,250 00	1,142 05
6029517	155648	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517799	54,250 00	1,142 05
6029518	155649	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517800	54,250 00	1,142 05
6029519	155650	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517801	54,250 00	1,142 05
6029520	155651	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517802	54,250 00	1,142 05
6029521	155652	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517803	54,250 00	1,142 05
6029522	155653	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517804	54,250 00	1,142 05
6029523	155654	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517805	54,250 00	1,142 05
6029524	155655	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517806	54,250 00	1,142 05
6029525	155656	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517807	54,250 00	1,142 05
6029526	155657	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517808	54,250.00	1,142 05
6029527	155658	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517809	54,250 00	1,142 05
6029528	155659	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517810	54,250.00	1,142 05
6029529	155660	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517811	54,250.00	1,142.05
6029530	155661	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517812	54,250.00	1,142.05
6029531	155662	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517813	54,250.00	1,142 05
6029532	155663	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517814	54,250.00	1,142 05
6029533	155664	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517815	54,250 00	1,142 05
6029534	155665	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517816	54,250 00	1,142 05
6029535	155666	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517817	54,250 00	1,142 05
6029536	155667	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517818	54,250 00	1,142 05
6029537	155668	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517819	54,250 00	1,142 05
6029538	155669	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517820	54,250 00	1,142 05
6029539	155670	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517821	54,250 00	1,142 05
6029540	155671	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517822	54,250 00	1,142 05
6029541	155672	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517823	54,250 00	1,142 05
6029542	155673	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517824	54,250 00	1,142 05
6029543	155674	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517825	54,250 00	1,142 05
PAGE THREE TOTALS							4,448,500 00	93,648 10

QUARTERLY *me*

Contract #	Asset #	In-Service	Year	Model	Description	Serial #	Cost	Monthly Rent
PAGE THREE TOTALS							4,448,500 00	93,648 10
6029544	155675	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517826	54,250 00	1,142 05
6029545	155676	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517827	54,250 00	1,142.05
6029546	155677	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517828	54,250 00	1,142 05
6029547	155678	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517829	54,250 00	1,142 05
6029548	155679	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517830	54,250 00	1,142 05
6029549	155680	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517831	54,250 00	1,142 05
6029550	155681	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517832	54,250 00	1,142 05
6029551	155682	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517833	54,250 00	1,142 05
6029552	155683	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517834	54,250.00	1,142 05
6029553	155684	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517835	54,250 00	1,142 05
6029554	155685	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517836	54,250 00	1,142 05
6029555	155686	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517837	54,250 00	1,142 05
6029556	155687	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517838	54,250 00	1,142 05
6029557	155688	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517839	54,250 00	1,142.05
6029558	155689	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517840	54,250 00	1,142 05
6029559	155690	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517841	54,250 00	1,142 05
6029560	155691	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517842	54,250 00	1,142 05
6029561	155692	02/29/96	1996	21,000 Gallon	Trinity Insulated Tank Rail Cars	517843	54,250 00	1,142 74
GRAND TOTAL							5,425,000 00	114,205 69

W. W. Campbell
Farmland Industries, Inc.

[Signature]
Farm Credit Leasing Services Corporation

SUPPLEMENT TO SCHEDULE A

THIS SUPPLEMENT is made as of February 27, 1996, between FARM CREDIT LEASING SERVICES CORPORATION ("Lessor") and FARMLAND INDUSTRIES, INC ("Lessee") and shall amend the terms of that certain Lease Agreement dated effective February 27, 1996 ("Lease") between the parties applicable only to the lease of equipment described in Schedule A to the Lease referencing contract Nos 6029462-6029561, inclusive ("Equipment")

To the extent the terms contained in this Supplement conflict with the terms of the Lease, the parties agree that the terms contained in this Supplement shall apply

I AMENDMENTS TO LEASE

Paragraph 21 Ownership Paragraph 21 of the Lease is amended in its entirety to read as follows

"Lessee acknowledges Lessor is the owner of the Equipment and transfers all of its right, title, and interest in the Equipment, if any, to Lessor and agrees that title to the Equipment shall remain with Lessor at all times and Lessee shall have no right, title, or interest therein except as expressly set forth in this Lease "

Paragraph 23 Lessee's Options Paragraph 23 of the Lease is amended in its entirety to read as follows

"So long as no Event of Default has occurred and is continuing, at the expiration of the Scheduled Lease Term Lessee shall have the option to

- (i) Purchase all, but not less than all, of the Equipment at its then fair market value not to exceed forty six percent (46%) of the original cost of the Equipment described on the applicable Schedule A,
- (ii) Extend the Lease for a term mutually agreed to by Lessor and Lessee at a rental rate equal to fair rental value applicable to all, but not less than all, of the Equipment, or
- (iii) Return all, but not less than all, of the Equipment to Lessor as provided in this Lease

In order to exercise an option as specified above, Lessee shall notify Lessor of its intention to purchase, renew, or return the Equipment at least 120 days before the end of the Scheduled Lease Term. If the Lessee's election requires a determination of the fair market or rental value of the Equipment, the parties shall use their best efforts to agree upon the same within 60 days after Lessee's notice is given and, if they are unable to do so, the determination shall be made by an appraiser mutually selected by Lessee and Lessor. If the parties are unable to agree on a single

appraiser within 30 days, then each party shall promptly select one independent appraiser, and the two appraisers shall select a third independent appraiser by mutual consent. As soon as practicable, each of the three appraisers shall make its determination of the fair market or rental value, and for purposes of this Lease, the fair market value or rental value shall be established as the average of the values determined by the three appraisers. After the fair market or rental value has been so determined, the Lessee will have the right (within 30 days) to rescind its notice of intention to purchase or renew.

For purposes of this Lease, fair market or rental value means the purchase price or rental that would be obtained in an arms-length purchase or lease of the Equipment between an informed seller/lessor and an informed buyer/lessee under no compulsion to purchase or lease, assuming the Equipment is maintained in accordance with the requirements of this Lease.

If Lessee elects to return the Equipment to Lessor, Lessee shall make the Equipment available for inspection by Lessor at location(s) mutually agreeable to Lessor and Lessee. Immediately upon expiration or termination of the term of this Lease, Lessee shall return each Item of Equipment to Lessor, in such condition as is required by this Lease, onto storage facilities as designated by Lessor within 500 miles of Kansas City, Missouri. Lessee shall provide up to 120 days of storage at its expense. Risk of loss or damage to the Equipment during such period shall also be borne by Lessee. In the event that any Item of Equipment shall suffer a Casualty Occurrence during the 120 day storage period, Lessee shall pay Lessor the Casualty Loss Value applicable to such Item of Equipment determined as of the last rent payment date. Risk of loss and damage after the 120 day period shall be borne by Lessor. During any storage period, Lessee will permit Lessor or any person designated by Lessor, including its authorized representatives or the authorized representatives of any prospective purchaser of any such Item of Equipment, to inspect the same. Rental at the then applicable rate shall continue unabated during any period after expiration of the term of this Lease for which Lessee fails to return the Items of Equipment in such condition as required hereunder.

In addition to other terms contained in this Lease, Lessee agrees to return the Equipment to Lessor with all equipment originally furnished thereon or acceptable replacements. All such equipment shall be installed and in good working order pursuant to the Interchange Rules.

Truck assemblies, axle and suspension components including, but not limited to, wheels, bearings, levers, seals, brake beams and shoes will be within the specifications required by the Interchange Rules. Car body, mounting and underframe plates and frames will be in good condition, free of cracks, holes, or other structural damage which materially impair the use of the Equipment for its intended purposes.

Paragraph 30 Tax Indemnity The following shall be added as paragraph 30 to the Lease:

"Lessee represents and warrants that

- (a) Lessee has not claimed and will not claim any tax credit, cost recovery, depreciation or other similar tax benefits with respect to the Equipment,

- (b) Lessee has no right, title, or interest in or to the Equipment, except that given herein,
- (c) Lessee will not use the Equipment outside the United States

This Lease has been entered into on the basis that Lessor as owner of the Equipment shall be entitled to such deductions, credits and other benefits as are provided by federal and state income tax laws and the regulations thereunder to an owner of the Equipment (the "Benefits"), including, without limitation, any tax credit, deductions for accelerated cost recovery and depreciation with respect to the Equipment. If Lessor or any assignee shall lose any Benefits or there shall be disallowed or recaptured any portion of the Benefits with respect to the Equipment as a result of any acts or omissions by Lessee, the inaccuracy of any certificate, representation or warranty of Lessee hereunder, Lessee shall indemnify Lessor by payment of that amount necessary, after deduction of all taxes required to be paid by Lessor with respect to the receipt thereof under the law of any federal, state or local government or taxing authority, to permit Lessor to receive (on an after-tax basis over the full term of the Lease) the same return that Lessor would have realized had there not been a loss or disallowance of such Benefits, together with the amount of any interest or penalties which may be assessed by the governmental authorities with respect to such loss or disallowance, payable at Lessor's election, either as (a) supplemental rent to Lessor during the remaining period of the term of this Equipment Lease or (b) a lump sum payable on demand to Lessor.

Lessee will not be responsible for the loss of any benefits caused by any change in the federal income tax laws after the Scheduled Lease Commencement Date applicable to the Equipment "

Paragraph 31 Hazardous Materials The following shall be added as paragraph 31 to the Lease

"Lessee represents and warrants to Lessor that it will not use or permit any Item of Equipment to be used for the generating, transporting, treating, storage, manufacture, omission of or disposal of any dangerous, toxic or hazardous pollutants, chemicals, wastes or substances as defined in any federal, state, or local laws, statutes, regulations, requirements and ordinances ("Hazardous Material") without Lessor's consent, provided however the Equipment may be used to transport urea-ammonium nitrate solution as long as Lessee complies with all applicable regulatory requirements. Lessee shall indemnify, defend and hold harmless Lessor, its employees, agents, officers and directors from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, including reasonable attorneys' fees, fees of environmental consultants and laboratory fees, arising out of or in any way related to (i) the presence, disposal, release or threatened release of any Hazardous Materials, from or affecting the Equipment, (ii) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials, (iii) any lawsuit brought or threatened, settlement reached, or governmental order relating to such Hazardous Materials with respect to the Equipment, (iv) any violation of laws, orders, regulations, requirements or demands of government authorities which are based upon or in any way related to such Hazardous Materials, and/or (v) the breach of any warranty, representation or covenant of Lessee contained in this Lease. These covenants, representations, warranties and indemnities shall

be deemed continuing for the benefit of Lessor, its successors and assigns and shall survive the expiration or termination of this Lease. Any payment made by Lessee pursuant to this paragraph shall include an amount equal to any taxes required to be paid by Lessor as a result of the receipt of such payment.

However, Lessee shall not have any obligation under this Paragraph 31 and shall not be required to indemnify or hold the Lessor harmless for any such claims, suits, costs, expenses, damages and liabilities resulting or arising from (a) acts or events otherwise indemnified hereunder which occur after the end of the Lease Term (the Lease Term ending as provided in paragraph 22), (b) acts which would constitute wilful misconduct or gross negligence of the Lessor, (c) taxes (except as otherwise specifically provided herein), or (d) the Lessors disposition of the Equipment, the Lease or any interest therein (other than any disposition to the Lessee) "

Paragraph 32 Use, Maintenance and Operation, Equipment Marking The following shall be added as paragraph 32 to the Lease

"Notwithstanding any provision of this Lease to the contrary, the following provisions shall be made a part of this Lease

- a) Nature and Place of Use Throughout the term of the Lease, Lessee agrees that each Item of Equipment will be used and maintained in material compliance with all Interchange Rules, and applicable laws, including all laws of the jurisdictions in which its operations involving the Equipment may extend, will remain in the possession and control of Lessee or with a railroad under contract with Lessee, will be located only in the United States and be used or operated only for the purposes for which it was designed and intended, and will be used and maintained in material compliance with all applicable requirements of the insurance policies maintained pursuant to Paragraph 15 of this Lease
- b) Maintenance Throughout the term of this Lease, Lessee, at its own expense, will maintain, service, and repair, as necessary, or will cause to be maintained, serviced, and repaired, each Item of Equipment (a) consistent with Lessee's standards for similar owned and leased equipment, (b) in material compliance with all Interchange Rules, (c) such that it is mechanically suitable for interchange and sale to or use by a railroad, and (d) in accordance with all manufacturer recommended maintenance and warranty procedures and in material compliance with all applicable safety bulletins issued by the manufacturer. Lessee will not operate any Item of Equipment with broken, unserviceable, or missing parts or remove parts that diminish the value, life, utility, or intended use of the Item of Equipment. Lessee shall keep records of all maintenance and repairs and such records shall be made available for inspection by Lessor or its representative(s) upon reasonable notice. Any material alterations or modifications to the Equipment shall require the written consent of Lessor.
- c) Marking Lessee agrees, at all times and at its expense, to cause each item of Equipment to be kept numbered with the identification or serial number therefor, and maintain such reasonable equipment reporting marking(s) on each Item of Equipment as from time to

time may be required by the Interchange Rules or otherwise reasonably deemed necessary by Lessor in order to protect the title of Lessor thereto, and the rights of Lessor under this Lease Lessee shall not by reason of any such marking(s) acquire or have any right, title, or interest in the Equipment except the rights granted it as Lessee hereunder

- d) Interchange Rules For purposes of this Lease, the term "Interchange Rules" shall mean all codes, rules, interpretations, laws or orders governing hire, use, condition, repair and all other matters pertaining to the interchange of freight traffic reasonably interpreted as being applicable to the Equipment, adopted and in effect from time to time by the Association of American Railroads and any other organization, association, agency, or governmental authority, including, but not limited to, the Surface Transportation Board (formerly the Interstate Commerce Commission) or any successor board, committee, commission, or like entity, and the United States Department of Transportation which may from time to time be responsible for or have authority to impose such codes, rules, interpretations, laws or orders "

II INCORPORATION OF TERMS

Except as amended herein, all the terms of the Lease Agreement shall remain in full force and effect

EXECUTED effective as of the day and year first above written

FARM CREDIT LEASING SERVICES
CORPORATION

By [Signature]
Its Vice President

FARMLAND INDUSTRIES, INC

By Terry M. Campbell
Its Terry M. Campbell
Vice President and Treasurer *WWS*

ADDENDUM I
TO LEASE AGREEMENT BY AND BETWEEN
FARM CREDIT LEASING SERVICES CORPORATION
AND
FARMLAND INDUSTRIES, INC

<u>Insert No</u>	<u>Insert</u>
0-A	thirty (30)
1-A	Lessor
2-A	In addition, Lessor agrees to allow Lessee to enforce in Lessor's name any manufacturer's or vendor's warranties not assignable under the preceding sentence
2-A1	Upon reasonable notice from Lessor
2-B	, in all material respects,
2-C	which arises out of or in any manner connected with the manufacture, sale, purchase, financing, ownership, delivery, possession, use, transportation, storage, condition, operation, maintenance, repair, return or other disposition of the Equipment or with this Lease
2-D	However, Lessee shall not have any obligation under this Paragraph 10 and shall not be required to indemnify or hold the Lessor harmless for any such claims, suits, costs, expenses, damages and liabilities resulting or arising from (a) acts or events otherwise indemnified hereunder which occur after the end of the Lease Term (the Lease Term ending as provided in paragraph 22), (b) acts which would constitute wilful misconduct or gross negligence of the Lessor, (c) taxes (except as otherwise specifically provided herein), or (d) the Lessors disposition of the Equipment, the Lease or any interest therein (other than any disposition to the Lessee)
2-E	, after taking into account any offsetting deductions, including any deductions resulting from the payment, event or circumstances giving rise to the obligation to make payment hereunder
2-F	, provided, however, Lessee may make any additions or improvements which are removable without reducing the value or utility of the Equipment (determined as of immediately prior to the addition or improvement) and any such additions or improvements shall remain property of the Lessee, which the Lessee may remove upon the expiration of the Lease
2-G	, in all material respects,

- 2-H based on, or measured by, net income, items of tax preference, taxes attributable to events or periods after the end of the lease term, any taxes as a result of any sale, transfer, assignment or other disposition of the Equipment (other than any disposition to the Lessee), any taxes included in the cost to the Lessor of purchasing the Equipment, any taxes imposed solely as a result of the wilful misconduct or gross negligence of the Lessor or any franchise taxes)
- 2-I If any claim is made against Lessee or Lessor for which Lessee might have an obligation to indemnify Lessor under or otherwise pay an amount described in this Paragraph 13, the party receiving notice of such claim shall promptly notify the other Lessee may contest any such claim in good faith and by appropriate proceedings, so long as such contest does not have a material adverse affect on the Lessor's right, title and interest in the Equipment
- 2-J thirty (30)
- 3-A If any claim is made against Lessee or Lessor for which Lessee might have an obligation to indemnify Lessor under or otherwise pay an amount described in this Paragraph 14, the party receiving notice of such claim shall promptly notify the other Lessee may contest any such claim in good faith and by appropriate proceedings, so long as such contest does not have a material adverse affect on the Lessor's right, title and interest in the Equipment
- 3-B 15 INSURANCE Lessee shall obtain and maintain liability insurance on the Equipment and in connection with the operation of the Equipment, at its own expense, in such amounts, against such risks, as are customarily insured against by companies owning and/or operating property of similar character and engaged in a business similar to that engaged in by the Lessee, as reasonably approved by Lessor Lessee shall cause Lessor to be named as an additional insured on such liability policy(ies)

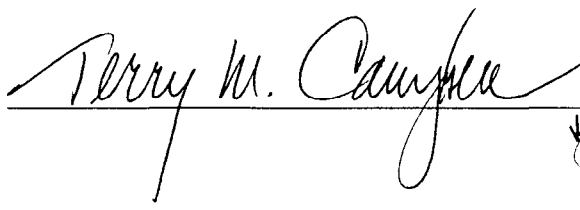
Lessee may, at its sole disrection, obtain and maintain physical damage insurance on the Equipment in such amounts and against such risks as Lessee insures other owned and/or leased equipment of similar character, as reasonably approved by Lessor, provided, however, that such physical damage policies will name Lessor as payee Lessee reserves the right to self insure the risk of physical damage to the Equipment

Each policy shall contain a clause requiring the insurer to give Lessor at least thirty days prior written notice of any alteration in the terms of such policy(ies) or of the cancellation thereof At Lessor's option, Lessee shall furnish to lessor a certificate of insurance of the carrier or other evidence satisfactory to Lessor that such insurance coverage is in effect, provided, however, that Lessor shall be under no duty to ascertain the existence of or examine such insurance or to advise Lessee in the event such insurance shall comply with the requirements hereof

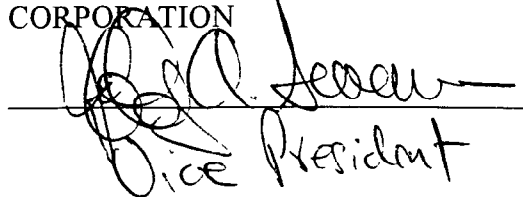
- 3-B1 Lessor shall execute documents reasonably requested by Lessee transferring Lessor's interest in the Equipment to Lessee
- 3-C and such failure shall continue for ten (10) days after notice of such failure
- 3-D thirty (30)
- 3-E for failure to make any payment to Lessor for more than ten (10) days following notice from Lessor
- 4-A1 such consent not to be unreasonably withheld
- 4-A and
- 4-D1 only
- 4-B described in paragraphs (a), (e) or (i) of Paragraph 18
- 4-C In the event Lessor and Lessee do not agree as to the fair market value of the Equipment, the Lessor and Lessee shall promptly consult for purposes of selecting an independent appraiser. If the parties are unable to agree on an appraiser within 15 days, then Lessor and Lessee shall each appoint an independent appraiser within 15 days and those two appraisers will select a third independent appraiser within 15 days of the selection of the first two appraisers. The appraiser or appraisers appointed pursuant to the foregoing procedure shall each independently determine the value which would be obtained in an arms' length transaction between an informed and willing buyer-user and an informed and willing seller, neither under compulsion to buy or sell. The report of the appraisers shall be delivered within 30 days of the appointment of the last appraiser, but in no circumstances shall the report be provided later than 15 days prior to the date the Lessee has to provide notice of its exercise of its purchase option under this Paragraph 23. The fair market value shall be the amount determined by a majority of said appraisers and shall be conclusive and binding. The fees of the appraiser(s) shall be shared equally by the Lessor and Lessee.
- 4-D in every jurisdiction in which failure to so qualify would materially adversely affect its business operations

This addendum is incorporated in and made a part of the Lease dated effective February 27, 1996 by and between Farmland Industries, Inc. and Farm Credit Leasing Services Corporation

FARMLAND INDUSTRIES, INC


Terry M. Campbell
KWS
R

FARM CREDIT LEASING SERVICES
CORPORATION


Vice President

FARM CREDIT LEASING

1600 Colonnade
5500 Wayzata BLVD
Minneapolis MN 55416-1252

Insurance Acknowledgment

Contract Number _____

Customer Number _____

Pursuant to the terms and conditions set forth in that Lease Agreement dated February 27, 1996 ("Lease"), between Farm Credit Leasing Services Corporation ("Lessor") and the below named Lessee ("Lessee"), Lessee agrees to provide the following insurance coverage for the Equipment described in the appropriate Schedule A which is made a part of such Lease ("Equipment").

Lessee:

Farmland Industries, Inc.

(please print or type full name)

Insurance Agency for Liability Carrier:

Marsh & McLennan, Inc.

(please print or type full name)

By: _____

R. J. Brackett 2/28/96
Signature Date
Mgr. Corporate Insurance
Title (corporations only)

Address: 2405 Grand Avenue

Kansas City, MO 64141-6105

City

State, Zip Code

Contact: _____

R. J. Brackett

Contact: Roy Yancey

Telephone: _____

816-459-6241

Telephone: 816-556-4316

FARM CREDIT LEASING SERVICES CORPORATION is to be named as ADDITIONAL INSURED for liability and LOSS PAYEE for physical damage with respect to equipment leased by the insured.

Automobile Liability

Limits of Liability	Insurance Company	Policy Number	Expiration Date
3,000,000 CSL	Nationwide Mutual Ins Co	CA0000157	12/01/96

Commercial General or Personal Liability

Limits of Liability	Insurance Company	Policy Number	Expiration Date
2,000,000 occurrence 4,000,000 aggregate	Nationwide Mutual Ins Co	CPP0000162	12/01/96

Physical Damage

COVERAGE MUST ALWAYS BE EQUAL TO THE EQUIPMENT AND/OR VEHICLE COST.

Lessee will not alter or cancel insurance coverages applicable to this equipment without THIRTY (30) DAYS prior written notice to the Lessor.